

FACILITIES EQUIPMENT MODERNIZATION

[CT, FP – NR&D, FP – R&D, LH/T&M, T&MC, FPC, CREI, A – E, REL – 09/04] [FAR 52.245-16 – 04/85]

- (a) The Subcontractor agrees to return to JPL or the Government the net cost savings realized from using modernized or replacement equipment provided by JPL or the Government under this Subcontract. This applies to using such equipment on any Subcontracts or First-tier Subcontracts that are firm-fixed price, or that are fixed-price with economic price adjustment provisions, entered into within the three years following the date such equipment is placed into production. This Provision does not apply to the use of such equipment in sealed bid contracts entered into after the equipment is placed in production or in Subcontracts or First-tier Subcontracts that specifically provide that they have been priced on the basis of anticipated use of such equipment.
- (b)
 - (1) The Subcontractor shall maintain adequate records for implementing this clause, The Subcontractor shall make such records available at its office for inspection, audit, or reproduction by any authorized representative of the Contracting Officer, including JPL representatives.
 - (2) When the Subcontractor authorizes a First-tier Subcontractor to use the modernized or replacement equipment, the First-tier Subcontractor shall be required to maintain records and make them and additional information available to JPL and the contracting Officer.
- (c) Records of equipment shall generally be acceptable if they are maintained under established accounting practices and permit a fair estimation of the net cost savings realized. Net cost savings realized shall be determined by a comparison of the Subcontractor's cost experience in the operation of the equipment before and after modernization.
- (d) Amounts due JPL or the Government under this provision shall be returned by the Subcontractor, as directed by the JPL Subcontracts Manager by:
 - (1) Credits to, or adjustment of the prices of, the related Subcontracts benefiting from using the modernized or replacement equipment;
 - (2) Payment to the Government through the Subcontracts Manager having cognizance of the equipment; or payment to JPL through the Subcontracts Manager having cognizance of the equipment; or
 - (3) Any other means mutually agreed to.